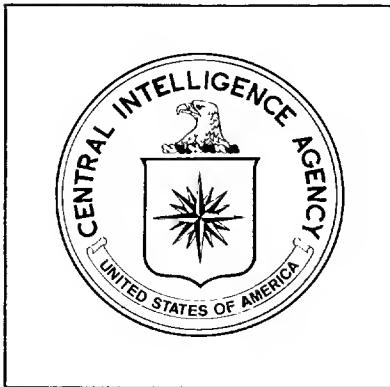


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STAFF NOTES:

Soviet Union Eastern Europe

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SOVIET UNION - EASTERN EUROPE

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Soviet Visitors to Romania

In a conversation between Romanian and American diplomats in Moscow, the Romanian said that his country was the only Soviet European ally Brezhnev has never officially visited and that Gromyko has not officially visited the country since shortly after his appointment in 1957.

If what is meant are formal, bilateral visits accompanied by all the usual protocol, then this assertion is correct. In the decade since Ceausescu assumed power, however, both Brezhnev and Gromyko have visited Bucharest for various multilateral meetings and have also stopped briefly in the Romanian capital when passing through. Their last recorded visits were in 1971, when Gromyko attended a Warsaw Pact foreign ministers' meeting in February and Brezhnev pulled into Bucharest station in April en route to Bulgaria. On the latter occasion Ceausescu was not on hand to greet Brezhnev. This snub was probably in retaliation for one by Brezhnev the year before. At that time, the Soviet party chief was to head a delegation to Bucharest for the signing of the long-delayed Soviet-Romanian friendship treaty. Two days before the visit Brezhnev developed a diplomatic illness and could not travel. (The same day he was to arrive in Romania, Brezhnev attended a soccer match in Moscow.) In 1968, Brezhnev, Kosygin, Gromyko, and Grechko stopped in Iasi en route to a Warsaw Pact meeting in Sofia, probably to determine whether Romania would support Moscow's stand against Dubcek's "Prague spring" in Czechoslovakia. By that time, however, Brezhnev was undoubtedly well aware of the futility of trying to influence Ceausescu--having attempted but failed to swerve Ceausescu from his nationalist course during a "secret, unofficial" visit to Bucharest in May 1966, and at a combined Warsaw Pact - CEMA extravaganza in Bucharest in July of the same year.

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In reviewing the travels of other high Soviet officials to Bucharest during the past decade, it is apparent that Soviet Premier Kosygin is the most frequent visitor. In recognition of a slight improvement in relations with Bucharest--or perhaps to put pressure on Ceausescu--the Soviets did send Kirilenko to the Romanian party congress last November. The Romanian party program, however, caused the temperature to drop again, and the Kirilenko visit was the last Soviet attempt to use personal diplomacy to change the independent attitude of the Romanians.

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Romania: Potential Market
for US Chemical Equipment

US sales of chemical equipment and technology to Romania should increase as a result of congressional approval this month of most-favored-nation tariff status for Romania. In addition to lower tariffs on many items, Romania is now eligible for Export Import Bank credits that will make possible increased purchases of chemical equipment and technology for its most dynamic industrial branch.

Bucharest has made no major purchases of chemical equipment and technology this year, but orders from Western countries from 1970 through 1974 were worth at least \$360 million. Mihail Florescu, minister of the chemical industry, earlier this year indicated interest in purchasing US equipment and technology estimated to cost as much as \$300 million for a proposed refinery and petrochemical complex on the Black Sea.

Other needs include equipment and technology for coal gasification and liquefaction, natural gas separation, aromatics extraction, and production of plastics, herbicides, pesticides, and veterinary drugs. Bucharest plans to allocate 17 percent of the country's total industrial investment to the chemical industry through 1980, hoping to achieve a growth of 60-80 percent. Major emphasis will be on petrochemistry, with continued growth in fertilizer output. For the 1976-80 plan period, large increases are projected in plastics and synthetic fibers (nearly 100 percent), synthetic rubber (150-170 percent), fertilizers (58-68 percent), and pesticides (100 percent). Western equipment and technology will be necessary to achieve this growth.

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Soviets Retreating on Electric Power
Deal with West Germany

The plan to supply electric power to West Berlin and West Germany from a proposed nuclear power plant on the Soviet Baltic coast continues to run into difficulty. A Berlin official has reported that the Soviets wish to back out of the deal because they have failed to obtain the approval of East Germany and Poland.

For the past two years the USSR has been negotiating with West Germany for the purchase of a 1,000-megawatt nuclear power plant to be built at Kaliningrad and paid for with electric power produced by the plant. At West Germany's insistence, the transmission line to deliver the electricity would be routed through Berlin so as to avoid any possible disruption of the supply of power to West Berlin.

East Germany has been delaying progress on the deal by withholding approval of the passage of the line through Berlin.

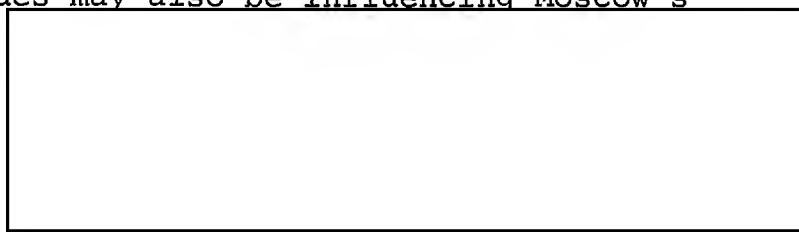
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The price to be charged by West Germany for the nuclear power plant and the price to be charged by the Soviet Union for the delivery of electricity also remain unresolved.

While the Soviets are doing little to break the stalemate over the Kaliningrad power plant, they do not seem to want the project to perish. Their

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present negativism, including the assignment of blame to the Poles and East Germans, may be intended to secure better terms, rather than to kill the deal altogether. Continuing differences between the Soviets and West Germans over other Berlin issues may also be influencing Moscow's attitude.



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